

SECTION 2

DEVELOPMENT OF REQUIRED AFFORDABLE / EMPLOYEE HOUSING

(HOUSING MITIGATION PLAN)

SECTION 201 PURPOSE AND APPLICABILITY

- 201.1 Teton County and the Town of Jackson, herein referred to as "County" and "Town" have established in their Land Development Regulations, herein referred to as "LDRs", requirements for developers building residential and commercial space to include a portion of the development as a product affordable to the local workforce (known herein as the "Legislation").

This Section applies to all developments subject to Division 49400 and Division 49600 of the County LDRs and Division 49400 and Division 49500 of the Town LDRs, and includes any [voluntary affordable / employee housing units](#) presented to the Board of County Commissioners or Town Council in development applications.

- 201.2 **Affordable Housing (Division 49400).** Each development subject to Division 49400 of the County and Town LDRs is required to provide a certain amount of Affordable Housing.
- 201.2 **Planned Unit Development – Affordable Housing (PUD-AH).** Developments utilizing the PUD-AH are required to meet the provisions of Section 2540 of the County LDRs, which results in a certain amount of Affordable Housing.
- 201.3 **Employee Housing (Division 49500 and 49600).** Each development subject to Division 49600 of the County LDRs and Division 49500 of the Town LDRs is required to provide a certain amount of Employee Housing.

- 201.4 **Accessory Residential Units.** Certain zoning districts in the County and Town allow an FAR exemption for Accessory Residential Units in conjunction with nonresidential development as stated in Section 2370 of the County LDRs, which are subject to these Guidelines.
- 201.5 **Planned Mixed-Use Development.** Affordable and Employee Housing units created using Section 2325 Planned Mixed-Use Development of the Town LDRs are subject to these Guidelines.

SECTION 202 PROGRAM POLICY GOALS

- 202.1 To inform prospective developers of property within Teton County of the standards and guidelines for construction and sale of Affordable / Employee Housing as required by the LDRs.
- 202.2 To help TCHA implement policies of the LDRs in a fair and consistent manner.

SECTION 203 HOUSING MITIGATION PLAN

- 203.1 A [Housing Mitigation Plan](#) for each project shall be submitted according to the provisions of the County and Town LDRs. A sample Housing Mitigation Plan can be found in Appendix L – Housing Mitigation Plan.
- 203.2 **Content.** Each Housing Mitigation Plan is required to contain the following information, which is explained in detail in the subsequent Sections.
 - A. Requirement Calculations.
 - B. Method.
 - C. Unit Descriptions.
 - D. Phasing Plan.
 - E. Agreement and Deed Restriction.
 - F. Fee Calculations.
- 203.3 **Procedure.**
 - A. An applicant/developer shall submit a Housing Mitigation Plan with the Development Plan application to the

Planning Department at either the Town of Jackson or Teton County.

- B. The Planning Department distributes the Housing Mitigation Plan to the TCHA for review.
- C. TCHA makes a recommendation to the Planning Department on whether the Housing Mitigation Plan complies with the LDRs and the TCHA Guidelines.
- D. Applicants may meet with TCHA staff prior to submitting a Housing Mitigation Plan. Although this step is not required, it is often helpful for the applicant and TCHA staff to discuss the development proposal and how it meets the LDRs.

SECTION 204 REQUIREMENT CALCULATIONS

- 204.1 In order to determine the amount of Affordable / Employee housing required of a proposed development, the developer must calculate the requirement, the accuracy of which is subject to verification by the TCHA.
- 204.2 **Calculation Worksheet.** The County and Town provide forms to assist in calculating the amount of affordable / employee housing required of a proposed development, copies of which are available at the TCHA office, on the TCHA website, or in Appendix M.
- 204.3 **Exemptions.** If the developer proposes to redevelop a property, existing on-site development may be exempt from the affordable / employee housing requirements. Section 49420 in the County LDRs and Section 49430 in the Town LDRs lists allowable exemptions. In order to apply exemptions, the developer must provide scale drawings of the existing development identifying current uses.
- 204.4 **Timing.** The developer shall submit calculations with Master Plan, Sketch Plan, and Final Development Plan applications.

SECTION 205 METHOD

- 205.1 The Housing Mitigation Plan requires the developer to propose housing that will satisfy the affordable / employee housing standards.
- 205.2 **On-site.** On-site housing is the preferred method of meeting an affordable and/or employee housing requirement. The developer may propose an alternative method if it is **impractical** to provide housing on-site.
- 205.3 **Alternative Methods.** If the developer demonstrates that it is impractical to provide housing on-site, a developer may provide alternative methods in the following order for satisfying the affordable / employee housing requirement. Section 49450 and 49650 of the County LDRs provides additional details.
- A. Off-site.
 - B. Existing Housing Stock. Use of Existing Housing Stock applies to the Town of Jackson only.
 - C. Conveyance of Land.
 - D. Fees in Lieu. Fees in Lieu for affordable / employee housing requirements are updated on an annual basis on April 1, and are available at the TCHA office, on the TCHA website or in Appendix N.
- 205.4 **Timing.** The developer shall propose the method at Master Plan, Sketch Plan, and Final Development Plan.

SECTION 206 UNIT DESCRIPTIONS

- 206.1 **Goals and Requirements.** To meet the community's goals of providing working families a viable choice of housing, protect social diversity and contribute to economic stability, the Affordable Housing Program requires that Affordable Units be of a quality similar to that of the market units proposed in a development. The size, construction materials, designs and livability standards of the homes, as well as their integration among the market communities, are all criteria in TCHA's decisions as to whether a development meets the goals of the Affordable Housing Program.

206.2 **Required Documents.** To comply with the LDRs and TCHA Guidelines, the developer shall provide the following information in the Housing Mitigation Plan:

- A. Site Plan. The applicant/developer shall include a Site Plan of the entire development indicating the location and number of Affordable / Employee Housing Units. TCHA will assess the integration of the Affordable / Employee Housing Units within the design and consider the following: dedicated parking; sufficient guest parking; traffic flow patterns with mixed use developments; safe play areas for children; outdoor storage; dedicated outdoor space; and other features.
- B. Floor Plans. The applicant/developer shall include Floor Plans of the entire development that identify the Affordable / Employee Housing Units, specify the bedroom count and size in square feet of each unit, and denote the Category. Each unit shall be designed in a way to function well as a long-term living solution. The applicant shall include sketches of furniture in the Floor Plan drawings to show scale. Refer to Section 206.5 for required elements.
- C. Tabulation. The developer/applicant shall provide the following information:
 - 1. Number of Affordable / Employee Units proposed;
 - 2. Number of Bedrooms with size in square feet
 - 3. Income category of each unit
 - 4. Rental / Sales mix of the development

206.3 **Square Footage Requirements.** Affordable / Employee Housing units created through Affordable Housing Programs outlined in Section 2 shall comply with the Square Footage Requirements as listed in Table 1.

- A. Unit sizes are [Net Livable Floor Area](#), as defined in the definitions section.

- B. The Legislations sets a minimum square footage for Affordable / Employee Housing Units.
- C. A developer may build Housing Units larger than the maximum square footage, but cannot count the excess square footage towards meeting square footage requirements.
- D. Unit types larger than three bedrooms will be counted as three bedrooms for meeting population requirements.
- E. Dormitories. There shall be a minimum of 150 square feet net livable floor area per person, including sleeping, bathroom, kitchen and lounge space. Net livable floor area shall not include interior or exterior hallways; parking; patios; decks; laundry rooms; mechanical areas; and storage.
 - 1) At least one bathroom shall be provided for shared use by no more than four persons, containing at least one water closet, one lavatory, one bathtub with a shower, and a total area of at least 60 habitable square feet.
 - 2) A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the TCHA's approval and determination that the facilities are adequate in size to service the number of persons using the facility.
 - 3) Each unit occupant shall be provided at least 20 net square feet of enclosed storage space located within, or in close proximity to, the unit. This is in addition to the required 150 square feet of net livable floor area of living space per person.
 - 4) A dormitory unit shall not be occupied by more than eight persons.

- 5) At its discretion, TCHA staff may allow a variance to the requirement of 150 square feet. To receive approval for a variance, an applicant shall provide a minimum of 60 square feet of sleeping area per person and meet conditions 1- 4 in Section 206.3.E of TCHA Guidelines (listed above).

206.4 **Standards of Construction (Materials).**

- A. Minimum Standards. Housing Units shall comply with all applicable minimum standards, all building codes and other development codes adopted by Teton County or the Town of Jackson.
- B. Exterior Materials. Affordable / Employee Housing Units shall be constructed with building materials having a compatible exterior style to other units in the development.
- C. Interior Materials.
(Reserved)

206.5 **Design Features (Livability).** Affordable / Employee Housing Units shall have design features comparable to the market units in the development including, but not limited to: decks, patios, parking, fencing and landscaping.

- A. Exterior Spaces. The developer shall provide parking similar to the market component, outdoor storage, and outdoor deck/patio or living space with each unit.
- B. Interior Spaces. Each Affordable / Employee Housing Unit shall include, at a minimum, a fully equipped kitchen and bathroom, and areas designated for living, sleeping and storage.
- C. Windows. Housing units should have exterior windows in all bedrooms and **living spaces** or at a minimum borrowed natural light in the living and sleeping spaces. Windows that look onto parking lots, alleys, mechanical equipment

and window wells must incorporate adequate landscaping to mitigate these hardscapes.

- D. Noise. Housing units located adjacent to commercial uses, above parking garage ramps, next to mechanical equipment or other such areas shall provide additional sound reduction to mitigate excess noise.

206.6 **Rental/Sale Mix.** As part of the Housing Mitigation Plan, the developer shall state which units are intended as rentals and which are intended as ownership.

- A. Residential Mitigation. The developer shall provide an ownership product when fulfilling residential mitigation requirements.
- B. Commercial Mitigation. The developer shall provide a rental product when fulfilling commercial mitigation requirements.
- C. Planned Unit Development – Affordable Housing (PUD-AH). The developer shall build an ownership product when fulfilling obligations of a PUD-AH.
- D. Accessory Residential Unit – (ARU). An accessory residential unit is defined as a rental product.
- E. Voluntary Units. When providing voluntary units, the developer designates ownership or rental units.
- F. Exceptions. The developer shall provide ownership or rental housing in accordance with Sections 206.6 A and 206.6 B unless the applicable governing body determines that meeting an ownership requirement by providing rental housing (or vice versa) will address an affordable housing need. Scenarios in which this may occur include, but are not limited to, mixed-use development where a developer could do all ownership housing or all rental housing, or a scenario where rentals are not allowed, such as with a development of a banking facility.

- 206.7 **Income Categories.** As part of the Housing Mitigation Plan, the developer shall indicate the categories of the Affordable / Employee Housing Units. The Category of the Unit dictates the sales price or rental rate.
- A. Residential Mitigation. All Affordable Housing Units required pursuant to Division 49400 of the County and Town LDRs shall fit Income Categories 1,2, or 3.
 - B. Commercial Mitigation. All Employee Housing Units required pursuant to Division 49600 of the County LDRs or Division 49500 of the Town LDRs shall fit Income Category 1.
 - C. Planned Unit Development – Affordable Housing (PUD-AH). All Affordable Housing Units required pursuant to Section 2540 of the County LDRs shall fit Income Categories 1 – 3.
 - D. Accessory Residential Unit – (ARU).
 - i. Residential: Accessory Residential Units associated with a residential use in the County are permitted by the County Planning Department.
 - ii. Commercial: There are no income restrictions for occupants of Accessory Residential Units associated with commercial uses. These Accessory Residential Units are therefore not assigned to an Income Category but are considered **Employment Based** because occupants must work in Teton County.
 - E. Voluntary Units. Employee Housing Units that developers provide above requirements in the Legislation are not income restricted and therefore are not assigned to an Income Category but are considered Employment Based. Developers providing additional Affordable Housing Units are required to base sales prices on Income Categories.

206.8 **Distribution of Income Categories.** The intent of the Affordable Housing Program is to distribute the units equally

among all the Income Categories in the Residential Mitigation and according to the Planned Unit Development – Affordable Housing (PUD-AH) tool. The distribution begins at the lowest Income Category and progresses to the highest income category. Table 2 shows the preferred distribution.

206.9 **Mix of Units by Number of Bedrooms.** The intent of the Affordable Housing Program is to provide a variety of unit types to meet the housing needs of our diverse workforce. Table 3 displays the preferred distribution by number of bedrooms. However, the mix of units provided will depend on the developer's requirement. The developer should provide the amount of units that most closely meets the affordable housing requirement. If the developer builds employee housing, the developer should tailor the mix of units to best meet the business needs.

206.10 **Initial Sales Prices (Maximum Sales Prices).** The TCHA updates the Maximum Sales Prices for Affordable Housing Units obligated by the Legislation April 1 of each year. The Maximum Sales Prices are in Appendix O. The methodology listed below shall determine the Maximum Sales Prices. The intent of the Maximum Sales Prices is to ensure initial affordability and long-term affordability.

A. Median Family Income. Each year, the U.S. Department of Housing and Urban Development (HUD) releases Median Family Income figures for Teton County, Wyoming, which the TCHA uses this data to determine Household Incomes for the Affordable Housing Units based on number of bedrooms.

B. Household Size. The Household Size for determining Maximum Sales Price is based on number of bedrooms in the Affordable Housing Unit. For example: a one-bedroom unit would equal a one person household.

C. Income Category. The maximum Household Income for the Category assigned to the Affordable Housing Unit is reduced by 10% to ensure affordability in the Income

Category range. For example: the income range for Category 2 is 81% - 100%; therefore, we use an income of 90%.

- D. Interest Rate. An interest rate of 7.5% is used to determine the Maximum Sales Price, based on the 8% average interest rate over the last 20 years.
- E. Down Payment. The Maximum Sales Price is calculated assuming a 5% down payment.
- F. Percentage of Income. The national standard for household affordability is that a household does not pay more than 30% of its gross income toward housing costs. Therefore, monthly payments cannot exceed 30% of the Median Family Income for each Category.
- G. Reduction for Household Expenses. Because housing costs include more than the mortgage, TCHA reduces the percentage of income that can be spent on monthly payments from 30% to 25% to account for HOA fees, property taxes, and insurance.

As shown in Appendix O, Maximum Sales Prices will be lower if the developer does not meet the minimum requirements, if the unit is below grade, if there is no garage, or if HOA dues exceed \$100/month.

206.11 **Maximum Rental Prices.** Maximum Rental Prices for Employee Housing Units, as cited in Appendix P, are issued each April 1 by the U.S. Department of Housing and Urban Development (HUD) thereby setting the [Fair Market Rents](#) (FMR) for Teton County, Wyoming.

206.12 **Timing.** The applicant/developer shall provide all of the elements of Unit Descriptions at Master Plan, Sketch Plan and Final Development Plan stages of the development application process. TCHA staff interprets the Unit Descriptions to be preliminary at Sketch / Master Plan and final at Final Development Plan.

SECTION 207 PHASING PLAN

- 207.1 It is expected that the Affordable / Employee Housing Units shall be ready for occupancy no later than the free market portion of the property is occupied. If the free market portion is to be developed in phases, then the Affordable / Employee Housing Units shall be developed in proportion to the free market portion.
- 207.2 **Timing Agreement.** If the development is phased, then a Timing Agreement may be required to provide assurance that the Affordable / Employee Housing Units will be constructed.
- 207.3 **Performance Bond.** To ensure that the developer constructs the Affordable / Employee Housing Units, the developer may be required to post a performance bond in the amount of one hundred twenty-five (125) percent of the costs of constructing the Affordable / Employee Housing Units and any related infrastructure and landscaping. When required, the developer shall file with the Planning Director a surety or cash bond, letter of credit, or other collateral suitable to the Board of County Commissioners, Town Council, or Planning Director to insure the construction of required improvements within a period of time as may be determined by the approved permit.
- 207.4 **Timing.** The developer shall provide a phasing plan with a Final Development Plan.

SECTION 208 DEED RESTRICTION FORM AND PROCESS.

- 208.1 A Deed Restriction is a contract between the Board of County Commissioners or Town of Jackson and the owner of real property developed or designated to satisfy the Affordable / Employee Housing requirements of Divisions 49400 or 49600 of the County LDRs or Divisions 49400 or 49500 of the Town LDRs. It also applies to Affordable Housing Units created through the Planned Unit Development – Affordable Housing (PUD-AH) tool, Accessory Residential Units and any Voluntary Affordable / Employee Housing Units created.

- 208.2 Deed Restrictions shall keep the Units affordable in perpetuity and provide proper notification of this obligation to subsequent buyers or other interested parties.
- 208.3 The developer shall record deed restrictions in the public land records for the subject property prior to the issuance of a Certificate of Occupancy by the County or Town.
- 208.4 The TCHA shall prepare Deed Restrictions according to the process below. Deed Restriction templates are cited in Appendix Q.
- A. The developer shall complete the Deed Restriction Information Sheet and submit to the TCHA. This form is found in Appendix Q, at the TCHA website or at the TCHA offices.
 - B. The TCHA will prepare the Deed Restriction and e-mail to developer for review.
 - C. Once reviewed by the developer for accuracy, the TCHA will sign the Deed Restriction and deliver to the County or Town for their signature.
 - D. The developer is responsible for signing the Deed Restriction, recording with the Teton County Clerk, providing the County or Town Planning Department with a copy of the recorded document and returning the original to the Teton County Housing Authority office.
- 208.5 No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by the TCHA. The developer may be responsible for any legal costs to amend a Deed Restriction.

SECTION 209 CONVEYANCE OF LAND

(Reserved)

SECTION 210 USE OF EXISTING HOUSING STOCK

(Reserved)

SECTION 211 FEE CALCULATION

- 211.1 If the developer proposes Fees In-Lieu, the developer shall submit the proposed amount with a Final Development Plan.

- 211.2 The TCHA shall update the Fees In-Lieu for Affordable / Employee Housing Units on an annual basis effective April 1. Fees In-Lieu figures are available at the TCHA office, on the TCHA website or in Appendix N.

SECTION 212 BENEFITS OF PROVIDING ADDITIONAL AFFORDABLE / EMPLOYEE HOUSING

(Reserved)